

MEETING MINUTES

WASHINGTON COUNTIES RISK POOL EXECUTIVE COMMITTEE

8:30 AM, Wednesday, June 27th, 2012

Red Lion Hotel, Seattle (SeaTac), WA

ATTENDANCE:

President – Steve Bartel, Director – Spokane County Risk Manager

Secretary/Treasurer – Mark Wilsdon, Director – Clark County Risk Manager

Executive Committee Members present –

Keith Goehner, Director – Chelan County Commissioner

Drew Woods, Director – Columbia County Public Works Director

Lee Grose, Director – Lewis County Commissioner, (arrived 08:35am)

Andrew Lampe, Director – Okanogan County Commissioner

Laura Merrill, Director – Pend Oreille County Commissioner

Marilyn Butler, Alternate Director – Skamania County Risk Manager

Randy Watts, Director – Whatcom County Chief Civil Deputy Prosecuting Attorney

Vyrle Hill – WCRP Executive Director (*ex-officio*)

Executive Committee Members present by phone

Tammy Devlin, Alternate Director – Thurston County Risk Manager

Steve Clem, Director – Douglas County Prosecuting Attorney, (arrived 08:37am)

Risk Pool Staff present --

Jill Lowe, Loss Control Coordinator

Susan Looker, Claims Manager

David Goldsmith, Member Specialty Services

Others present --

Lisa Young, Personnel Committee Chair / Director – Kittitas County

Will Ashbaugh, Coverage Counsel – Hackett Beecher & Hart

Kevin Wick and Craig Scukas, PWC

Mike Croke and Liz Miser, A J Gallagher

President Steve Bartel called the meeting to order at 08:33 am, noted he could confirm by sight and sound there was a quorum and began the meeting. Missing his gavel, he “cleared his throat to get everyone’s attention”.

The Agenda was approved by the EC, Laura Merrill motioned to accept, Keith Goehner seconded, a unanimous vote agreed with no dissent.

9:40 AM...

1) Minutes of the March 16, 2012 (telephonic) meeting approved by the EC, Randy Watts motioned to accept, Laura Merrill seconded, a unanimous vote agreed with no dissent.

2) Minutes of the March 21, 2012 meeting approved by the EC, Randy Watts motioned to accept, Tammy Devlin seconded, a unanimous vote agreed with no dissent.

3) Voucher Approval Request No. 12-03 (March – May 2012), more specifically check numbers 5788 through 6191 (administrative) and 33443 through 34444 (claims) totaling \$6,027,623.97 with transfers of \$153,458.17, approved by the EC, Keith Goehner motioned to accept, Randy Watts seconded, a unanimous vote agreed with no dissent.

4) Claim Settlement Confirmation No. 2012-6-27, which included Harum v. Kittitas County et al, Scroggins/Francis v. Clallam County et al, and Barry v. Grays Harbor County et al, approved by the EC, Randy Watts motioned to accept, Laura Merrill seconded, a unanimous vote agreed with no dissent.

5) Executive Director Hill summarized the Second Quarter Py2012 financial reports noting Assets of \$30 million, Current Liabilities of \$19 million, and Net Position (Assets) of \$11 million, enough to satisfy the confidence level restrictions in the Pool's policy and still leave more than \$4 million unrestricted (surplus). He also noted an Operating Loss in excess of \$16 thousand, that 46% of the (operating) administrative budget had been expended, and that the Pool passed both SRM and the Pool's own solvency tests. 2Q/Py2012 Financial Reports approved by the EC, Lee Grose motioned to accept, Marilyn Butler seconded, a unanimous vote agreed with no dissent.

9:30 AM... **Spencer et al v. Clark County et al**

6) Complaint filed with State Risk Manager (also with Superior Court in/for Cowlitz County)

7) County Settlement Proposal presented in summary by Counsel Will Ashbaugh, then denied by the EC, motion to deny by Marilyn Butler, Drew Woods seconded, Mark Wilsdon Abstained (appearance of fairness since the matter is associated with his county), a unanimous except Clark voted and agreed to leave the denial as it is and not accept Clark PA's offer of 1/3 to 2/3 defense cost split between Clark and the Pool respectively.

10:10 AM... 8) Reauthorize designation of SRM for legal service per RCW 48.62.031(6) approved by the EC, Marilyn motioned to accept, Andy Lampe seconded, a unanimous vote agreed with no dissent.

8:35 AM...

9) Kevin Wick and Craig Scukas presented and explained the Actuarial Review of Loss Rates (as of March 31, 2012) with Experience Rating Modifiers for Py2013 and their thoughts regarding stabilizing the Pool's insuring program and financial needs. Craig noted estimates reflecting an overall decrease of 2.9% in the rates for the Pool's (\$100,000) SIR and "Expected" base rates of \$254.55 and \$67.27 per 1,000 worker hours respectively for General Liability and Employment Liability coverage, and \$70.91 per licensed unit for Auto Liability coverage. Kevin noted that another year's development resulted in experience modification factors ranging between 0.778 (22% credit) to 1.410 (41% debit). Recommending the Actuarial Review of Loss Rates and Experience Rating Modification Analysis for Py2013 to the Board for approval

approved by the EC, Lee Grose motioned to accept, Marilyn Butler seconded, a unanimous vote agreed with no dissent.

9:50 AM... **Producer's (aka Broker's) Report** (*Mike Croke / Liz Miser*)

□ Updated the EC regarding the Py2013 marketing efforts-to-date for JSILP reinsurance/excess insurance and WCPP insurance programs. Clark, Spokane, Yakima and Grays Harbor Counties were being offered proposals to for their railroad coverage beyond the very limited coverage under the JSLIP and Property Forms and take them individually onto their own, separate and distinct coverage.

□ "Optional services" proposal(s) for Py2013 from AJGRMS, Inc... nothing specific shared other than the items noted during the Py2013 marketing update. Drew discussed a few other possible services with nothing conclusive.

President Bartel recessed the meeting at 10:15 a.m. and reconvened again at 10:38 a.m.

10:38 AM... **10) Nominating Committee** (*Chair Steve Bartel*)

□ Terms of Steve Clem, Randy Watts and Mark Wilsdon expire 9-30-2012... new terms thru 09-30-2015. President Steve Bartel confirmed through pooling that Steve Clem and Randy Watts will not seek reelection to the Executive Committee. Mark Wilsdon said he would rerun. President Bartel will update eligible (Directors and Alternate Directors), and solicit names and/or recommendations by the July 13th meeting.

□ Marilyn Butler's retirement/resignation? President Steve Bartel confirmed with Marilyn that she would vacate her position just after the Pool's meeting (through September 2013) so a replacement can be chosen during the 2012 Annual Meeting for the unexpired term (*07-27-2012 thru 09-30-2013*)

□ Py2013 President and Secretary-Treasurer... nominee(s) from EC membership for each position. After President Bartel explained the process and procedure, Lee Gross nominated Tammy Devlin as the new Sec/Trea but she declined based on her employment constraints. Lee Gross said he would not pursue or accept nomination to the Secretary position due to his recent BofNR appointment, however, Andy said he would accept the nomination, Keith Goehner nominated him and Marilyn Butler seconded....President Bartel asked if Andy thought he'd be reelected as a fun courtesy, it seems he believes he will be. Motion passed without dissent.

The EC nominated Mark Wilsdon, current Sec/Trea, and will present his name to the full board for a vote and confirmation at the Summer meeting, Lee Grose nominated him and Laura Merrill seconded, a unanimous vote agreed with no dissent.

There was discussion about the EC's concern that San Juan County is left unattended by anyone. Apparently, a contracted interim County Administrator is in charge. The San Juan Council only meets twice per month and the delay, while understandable, is unacceptable for more than a meeting or two.

There was discussion about Island County replacement for Betty Kemp as being Elaine Marlow in the undefined interim.

Standing Committee Reports / Action Items (deferred in depth review for committee heads until the Fall elections are completed)

- Finance (Co-chairs Clem & Grose) Steve Clem said they will review the actuarial analysis of the pool's 100K retention from the Actuaries....discussion to focus upon a larger Pool Retention.
- Personnel (Chair Young) Nothing new at this time...we welcomed her.
- Risk Management (Co-chair Woods) Drew Woods announced the committee will discuss the targeted Risk Control plan and 2012-13 Loss Control budget requests at the next July 7/11/12 telephonic committee meeting.
- Underwriting (Chair Watts) aka no-time and short-time!! Reported that the JSILP with all of the committee's recommended changes would be provided for the EC's consideration during the next meeting.

Staff Reports / Action Items

- Administrative Services (Vyrle Hill)
 - Investment Practices and Authorizations / Policy Amendments... Proposal to recognize an Investment Committee consisting of the Pool's Treasurer and Finance Committee Chair with the Executive Director approved by the EC, Lee Grose motioned to accept, Randy Watts seconded, there was a thorough discussion, Marilyn Butler called for the question, a friendly amendment was added allowing the 3-person Investment Committee to negotiate the final terms and sign investment banking agreement that would allow the Executive Director to pursue better returns within legally allowed investments through Wells Fargo....a majority vote agreed with only Steve Clem dissenting.

- 11) Statutory Authority
- 12) SAO/SRM desires/expectations
- 13) Verification of Signing Authority and (WF) Agency Agreement and Investment Policy Statement

14) "Preliminary" Budget/Salary Schedule/Work Plan for Py2013... Executive Director shared his initial budget drafts; one version extending the suspension of COLA-related modifications, a second version reinstating COLA-related modifications but for only one year, and a third version with COLA-related modifications covering both suspended years. The majority favored moving forward with a single year's COLA-related modifications in accordance with the Personnel Policy resuming in Py2013; Executive Director to provide budget summary for EC consideration during July 13th meeting.

Claims Services (Susan Looker) Susan Looker again reported on the CHARTIS "occurrence" concerns in *Case et al v. Clallam et al*, the loss of ACE account contacts, and the Swiss Re claims conference just attended; and she noted she will be providing a full report on the use of pre-defense funds during the Summer Conference.

- o **Executive Session** (discuss existing and pending claims/litigation) None

□ Member Services (David Goldsmith / Jill Lowe) Discussed the SROs with about 10 new/newer County Risk Managers and plans for this next year including support for the PRIMA Foundations Course, and WSTIP's drivers' abstracts examination procedures; also, about 10 annual visits concluded with 14 scheduled in July and 4 more in August.

Officer and Committeeperson Reports

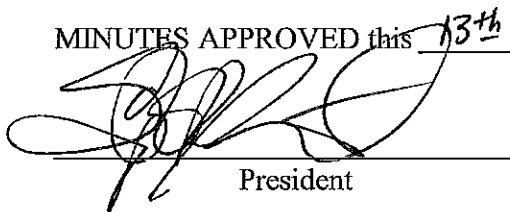
□ PRIMA Annual Conference (Keith Goehner) discussed his time at the PRIMA conference, good classes, and a surprise to learn about Rich Vincelette's move to W R Berkeley Company.

15) Bylaws Amendment(s): Third Officer; Settlement Authorization with Extraordinary Circumstance; President Bartel discussed the issues including a heavy election year and the possible loss of EC and other pool directors. We discussed the possibility of one more person added to the exec team, options mentioned included another VP as executive VP, also the Treasurer given the investment requirement under the RCW and officer requirements, we must maintain a dedicated Secretary, whatever it might be called. It was also discussed the Sec/Trea could be a multi-year officer. Officers and Executive Director to provide proposal(s) for EC review at/action during next meeting.

President Bartel and Exec Dir Hill went over the upcoming meetings and who was going to what and when. It was confirmed the 7/13/12 meeting will be at the same location and same times.

President Bartel adjourned the meeting at 12:45 pm.

MINUTES APPROVED this 13th day of July, 2012.



President

Attest: 

Secretary/Treasurer